

The Effect of *Management Pressure, Locus of Control* and Audit Disfunctional Behavior on Auditor Performance (Empirical Study of Public Accounting Firms in Medan City)

Dinda Audria¹ Reza Hanafi Lubis²

^{1,2}Faculty of Economics, Universitas Muslim Nusantara Al-Washliyah Medan
audriadinda00@gmail.com ¹ rezahanafilubis@gmail.com ²

Abstract

This study aims to analyze the effect of management pressure, locus of control and dysfunctional audit behavior on auditor performance. The research data is primary data by distributing questionnaires via google form to respondents. and processed using multiple linear regression analysis. The population and sample in this study amounted to 23 KAPs in Medan City but only 5 KAPs were accepted, so the sample used was 37 auditors. The results showed that management pressure, locus of control and dysfunctional audit behavior had an effect on auditor performance. Based on the conclusions above, the authors write some suggestions that are expected to be useful for 5 Public Accounting Firms in Medan City, namely for auditors it is expected to always teach and control Auditor dysfunctional behavior, so as to create good and quality Auditor Performance, for Public Accounting Firms are expected to provide good performance. good for clients by providing quality audit services and results, further researchers are expected to be able to add variables that affect Auditor Performance, because in this study only used variables *Management pressure* , *Locus Of Control* and Auditor Dysfunctional Behavior.

Keywords: Management Pressure, Locus Of Control, audit dysfunctional behavior and Audit Performance

Introduction

Competition in the public accounting business is increasing. Along with the times , in order to survive in the midst of the existing competition, each Public Accounting Firm must be able to gather as many clients as possible but must pay attention to the quality of its performance. The auditor profession is trusted by the management in its ability to provide the best service and in accordance with what is needed. In carrying out their profession, auditors must work professionally, that is, they must uphold the professional code of ethics in carrying out their duties and responsibilities. A professional auditor can be seen from his performance in carrying out his duties and functions. In order to support professionalism as a public accountant, in carrying out their audit duties, auditors must be guided by the audit standards set by the Indonesian Institute of Certified Public Accountants (IAPI), namely general standards, field work standards and reporting standards (Kharismatuti & Hadiprajitno, 2012).

Performance can be measured through certain measurements (standards) where quality is related to the quality of work produced, while quantity is the amount of work produced in a certain period of time. A professional auditor can be seen from his performance in carrying out his duties and functions. In carrying out his profession, a public accountant has an important role in providing reliable financial information for the public government, investors, creditors, shareholders, employees, debtors and for the community and other interested parties (Sanjiwani & Wisadha, 2016).

In making financial reports, management tends to present the best possible financial statements in order to provide good information to users of financial statements without upholding the level of truth of the information. In order to achieve the success of the fraud, management will generally influence the auditor during the audit process. Interventional influences generally arise when there is a difference of opinion between the auditor and management. The form of intervention can be in the

form of management asking the auditor to take actions that are not in accordance with the standards and giving an opinion.

According to Sari (2021) *Locus Of Control* is how a person views his behavior as a form of relating to other people or his environment, and also as a belief in the source that determines his behavior. And deviant behavior in auditing or what is commonly referred to as dysfunctional auditor behavior is doing deviant actions taken by the auditor in carrying out their duties, so that their actions reflect an attitude of dishonesty and not objective in carrying out their duties (Personal 2015).

Research result Cashell (2012) shows that 48% of respondents agree that *management pressure* has a negative impact on auditor performance and 31% of respondents admit that excessive *management pressure* will make the auditor stop audit procedures. The results showed that several researchers found that *Locus Of Control* had a negative effect on Auditor Performance (Mindarti, 2016) . While the results of different studies found that *Locus Of Control* had a positive effect on Auditor Performance (Donnelly et al., 20 12). According to (Harini et al., 201 4), dysfunctional behavior means that an auditor commits manipulation, fraud or deviation from audit standards so that it can affect audit quality directly or indirectly.

Based on these problems, the research questions are as follows. (1) How is the influence of management on the performance of the auditor? (2) How is the influence of *Locus Of Control* on auditor performance? (3) How is the effect of dysfunctional audit behavior on auditor performance. This research is expected to be useful for the development of literature, especially in the field of auditing, especially regarding the effect of auditor characteristics on auditor performance. The results of this study are also expected to be used as a consideration for public accounting firm partners to make policies to improve the performance of their auditors.

pressure management

According to Ketut & Pratama (2015) *Management pressure* is a threat that can interfere with auditor independence. In making financial reports, management tends to present the best possible financial statements in order to provide good information to users of financial statements without upholding the level of truth of the information. In order to achieve the success of the fraud, management will generally influence the auditor during the audit process. Interventional influences generally arise when there is a difference of opinion between the auditor and management.

Locus Of Control

According to Rotter (2015) *Locus Of Control* is one of the personality variables, which is defined as an individual's belief in being able to control oneself or not. Individual *locus of control* reflects a person's level of belief in the extent to which the actions they have taken affect the success or failure experienced.

Audit dysfunctional behavior

According to *Robbins and Judge* (2012) behavior is one component of attitude. Attitude is a statement of the results of the assessment, both favorable and unfavorable, towards objects, individuals, or events. The three components in attitude are awareness, feelings and behavior (Hidayatullah, 2016). The findings of previous studies indicate that there is a threat to audit quality decline as a result of dysfunctional audit behavior that is sometimes carried out by auditors in auditing practices (eg; *Rotter* (2013). *Margheim* (2012). *Sweeney* (2012) in Silaban (2014).

Hypothesis

H1 : *Management pressure* has a positive effect on Auditor Performance

H2 : *Locus Of Control* has a positive effect on Auditor Performance

H3: Audit dysfunctional behavior has a positive effect on Auditor Performance

H4 : *Management pressure* , *locus of control* and dysfunctional audit behavior affect auditor performance

Methodology

The population in this study is a public accountant who works at a public accounting firm in the city of Medan. The sampling technique in this study using the Random Sampling method is stated as a simple sample because the sampling of population members is carried out randomly without regard to the existing strata in the population for the sample at the Medan City Public Accountant Office. Based on the population data above, there are 23 KAPs in Medan City but only 5 KAPs are accepted, so the sample used is 37 auditors.

The data used in this study is primary data. The data was obtained from the Public Accounting Firm through a questionnaire distributed to the auditors. This study uses data sources collected by sending a Google form link to the respondents being studied. The source of this data is the auditor's opinion regarding the auditor's performance.

The independent variables in this study are *Management pressure* (X1), *Locus Of Control* (X2), Audit Dysfunctional Behavior (X3). The dependent variable in this study is Auditor Performance (Y).

Research Results and Discussion

The number of questionnaires sent in this study amounted to 40, and the number of questionnaires that were returned and could be processed in this study were 37 questionnaires. The respondents of this study were spread from 5 KAPs in Medan City, namely:

- a. KAP Fachruddin & Mahyuddin
- b. KAP Joachim Poltak Lian Michell and Partners
- c. KAP Drs. Katio and Partner
- d. KAP Drs. Congratulations Sinuraya and friends
- e. KAP Syamsul Bahri, MM, Ak and Partners

Respondents by Gender

Respondents based on gender were dominated by male respondents as many as 25 people or around 64.8 % and for female respondents as many as 12 people or around 35.2 %.

Respondents by Age

Respondents based on age in this study consisted of variations in the age of respondents, namely as many as 20 respondents with ages ranging from 17 years to 25 years and the number percentage 49.9 %, 10 respondents aged between 26 years and 35 years and the percentage is 29.6 %, 5 respondents aged 36 to 45 years with a percentage of 14.7%, and 2 respondents aged over 45 years with percentage as much as 5.8 %.

Descriptive statistics

a. *pressure management*

Management pressure questionnaire consists of 13 question items. It has 37 respondents with a minimum answer of 16 and a maximum of 39, an average total answer of 28.84 and a standard deviation of 5.199. It can be concluded that the tendency of *Management pressure* is in the high category based on the results of the existing answers.

b. *Locus Of Control*

Locus Of Control Questionnaire consists of 13 question items. It has 37 respondents with a minimum answer of 17 and a maximum of 40, the average total answer is 31.86 and the standard deviation is 5.391. It can be concluded that the tendency of *Locus Of Control* is in the high category based on the results of the existing answers.

c. Audit dysfunctional behavior

The Audit Dysfunctional Behavior Questionnaire consists of 12 question items. It has 37 respondents with a minimum answer of 39 and a maximum of 60, the average total answer is 51.59 and the standard deviation is 4.986. It can be concluded that the tendency of Audit Dysfunctional Behavior is in the high category based on the results of the available answers.

d. Auditor Performance

The Auditor Performance Questionnaire consists of 7 question items. It has 37 respondents with a minimum answer of 25 and a maximum of 35, the average total answer is 32.03 and the standard deviation is 2.555. It can be concluded that the tendency of Auditor Performance is in the high category based on the results of the existing answers.

Validity test

The results of the SPSS 25 program validity test by comparing the *person correlation value* (product moment correlation) with the r_{table} value using a 95% confidence level, = 5%, and $n = 37$, the results for the r_{table} are 0.325. The statement is said to be valid if $r_{count} > r_{table}$. For more details, the results of the validity test can be seen in the following table:

Table 4. 5 Validity Test Results

Variable	Indicator	No Statement	r_{hitung}	r_{tabel}	Information
<i>Management pressure (X1)</i>	Auditor's understanding of <i>Management pressure</i>	Statement 1	0.596	0.325	Valid
		Statement 2	0.580	0.325	Valid
		Statement 3	0.556	0.325	Valid
	Auditor's responsibility for <i>Management pressure</i>	Statement 4	0.479	0.325	Valid
		Statement 5	0.651	0.325	Valid
		Statement 6	0.628	0.325	Valid
	Performance appraisal of superiors	Statement 7	0.464	0.325	Valid
		Statement 8	0.557	0.325	Valid
		Statement 9	0.585	0.325	Valid
		Statement 10	0.501	0.325	Valid
	Fee allocation for audit fees	Statement 11	0.502	0.325	Valid
		Statement 12	0.587	0.325	Valid
		Statement 13	0.542	0.325	Valid
<i>Locus Of Control</i>	Internal	Statement 1	0, 819	0.325	Valid
		Statement2	0.862	0.325	Valid
		Statement 3	0.798	0.325	Valid
		Statement 4	0.750	0.325	Valid

		Statement 5	0.793	0.325	Valid
		Statement 6	0.804	0.325	Valid
		Statement 7	0.534	0.325	Valid
		Statement 8	0.507	0.325	Valid
	External	Statement 9	0.567	0.325	Valid
		Statement 10	0.512	0.325	Valid
		Statement 11	0.464	0.325	Valid
		Statement 12	0.468	0.325	Valid
		Statement 13	0.405	0.325	Valid
Audit dysfunctional behavior	I accept the auditor to do premature sign-off, if:	Statement 1	0.648	0.325	Valid
		Statement 2	0.471	0.325	Valid
		Statement 3	0.708	0.325	Valid
		Statement 4	0.727	0.325	Valid
	I accept the auditor doing underreporting of time, if:	Statement 5	0.596	0.325	Valid
		Statement 6	0.738	0.325	Valid
		Statement 7	0.627	0.325	Valid
		Statement 8	0.466	0.325	Valid
	I accept the auditor changing or changing audit procedures in an assignment	Statement 9	0.530	0.325	Valid
		Statement 10	0.484	0.325	Valid
Auditor Performance	Work quality	Statement 1	0.599	0.325	Valid
		Statement 2	0.479	0.325	Valid
		Statement 3	0.721	0.325	Valid
	Working quantity	Statement 4	0.616	0.325	Valid
		Statement 5	0.528	0.325	Valid
	Punctuality	Statement 6	0.520	0.325	Valid
		Statement 7	0.488	0.325	Valid

Reliability Test

This research has met the elements of good reliability, in other words, this research instrument is reliable or reliable, the level of the research instrument is adequate because > 0.6 .

Table 4.6 Instrument Reliability Test Variable

Variable	Cronbach' Alpha	Information
<i>pressure management</i>	0.812	Reliable
<i>Locus Of Control</i>	0.889	Reliable
Audit dysfunctional behavior	0.814	Reliable
Auditor Performance	0.639	Reliable

Data Normality Test

The normality test in this study used the one sample kolmogorovskmirnov test with a significant level of $= 0.05$.

Table 7 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
N		37
Normal Parameters ^{a,b}	mean	.0000000
	Std. Deviation	2.09042070
Most Extreme Differences	Absolute	.080
	Positive	.080
	negative	-.068
Test Statistics		.080
asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.

b. Calculated from data.

c . Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Multiple Linear Regression

- The constant is 45,426, this indicates that if the variables *Management pressure* , *Locus Of Control* and Auditor Dysfunctional Behavior are considered 0, the Auditor Performance value is 45,426.
- The coefficient of the *Management pressure variable* is 0.083, meaning that if there is an increase in the value of the *Management pressure variable* by 1 point, it will increase the Auditor's Performance by 0.083.
- The coefficient of the *Locus Of Control variable* is -0.028, meaning that if there is an increase in the value of the *Locus Of Control variable* by 1 point, it will increase the Auditor's Performance by -0.028.
- The coefficient of the Auditor Dysfunctional Behavior variable is -0.289, meaning that if there is a decrease in the value of the Auditor Dysfunctional Behavior variable by 1 point, it will reduce the Auditor Performance by -0.289.

Hypothesis testing

- The Effect of *Management Pressure* on Auditor Performance

Based on a partial test of the influence of *Management pressure* on Auditor Performance using the SPSS program, the t-count is 1.179 while the t-table is 2.03 with a significance value of 0.247. Because the value of t count is smaller than t table and the significance is < 0.05, it can be concluded that H1 is rejected. This shows that it has no effect and is significant on Auditor Performance.

- The Effect of *Locus Of Control* on Auditor Performance

Based on a partial test of the effect of *Locus Of Control* on Auditor Performance using the SPSS program, the t count is -522 while the t table is 2.03 with a significance value of 0.605. Because the value of t count is smaller than t table and the significance is < 0.05, it can be concluded that H1 is rejected. This shows that it has no effect and is significant on Auditor Performance.

c. The Effect of Audit Dysfunctional Behavior on Auditor Performance

Based on a partial test of the effect of dysfunctional audit behavior on auditor performance using the SPSS program, the t-count is -3.930 while the t-table is 2.03 with a significance value of 0.000. Because the value of t count is smaller than t table and the significance is < 0.05 , it can be concluded that H1 is rejected. This shows that it has an effect and is significant on Auditor Performance.

Conclusions

Based on the results of research and discussions that have been carried out, it can be concluded that *Management pressure* has no effect on Auditor Performance. It can be seen that the existence of *management pressure* can not affect the performance of the auditor, the *locus of control* has no effect on the performance of the auditor. It can be seen that the existence of *Locus Of Control* can not affect the performance of the auditor, the dysfunctional behavior of the auditor has a negative and significant influence on the performance of the auditor. It can be seen that the presence of Auditor Dysfunctional Behavior affects the Auditor's Performance where an auditor must be able to control the Auditor's Dysfunctional Behavior so that the Auditor's Performance becomes better, *Management pressure*, *Locus Of Control* and Auditor Dysfunctional Behavior simultaneously have a significant effect on Auditor Performance. This shows that the three variables together have an effect on Auditor Performance, so that they are able to control *Management pressure*, master *Locus Of Control* and control Auditor Dysfunctional Behavior.

Based on the conclusions above, the authors write some suggestions that are expected to be useful for 5 Public Accounting Firms in Medan City, namely for auditors it is expected to always teach and control Auditor dysfunctional behavior, so as to create good and quality Auditor Performance, for Public Accounting Firms are expected to provide good performance. good for clients by providing quality audit services and results, further researchers are expected to be able to add variables that affect Auditor Performance, because in this study only used variables *Management pressure*, *Locus Of Control* and Auditor Dysfunctional Behavior.

References

- Alderman, Deitrick, JW 2012 . *Auditors' perceptions of time budget pressures and premature sign-offs: A replication and extension. Auditing: A Journal of Practice & Theory*, 82(Winter). 53-68.
- Aisyah, EA, & Sukirman. 2015 . Relationship of Experience, Time Budget Pressure , Compensation on Audit Quality at Public Accounting Firms (Kap) in Semarang City. *Accounting Analysis Journal* , 4(1), 1–11.
- Alderman, C Wayne and Deitrick, JW 1982. *Auditors' perceptions of time budget pressures and premature sign-offs: A replication and extension. Auditing: A Journal of Practice & Theory*, 82(Winter) . 53-68.
- Donnelly, DP, Quirin, JJ, & O'Bryan, D. 2003. *Auditor Acceptance of Dysfunctional Audit Behavior: An Explanatory Model Using Auditors' Personal Characteristics. Behavioral Research in Accounting* , 15(1). 87-110.
- Dwimilten, E., & Riduwan, A. 2015. Factors Affecting Audit Quality. *Journal of Accounting Science & Research*. 4(4), 1–20.
- Eviyany, A., & Lapoliwa, N. 2014. Effect of Independence, Integrity, and Competence on Auditor Performance. *Journal of ULTIMA Accounting* , 6(2). 39- 55.
- Ghozali, I. 2016. Application of Multivariate Analysis with IBM SPSS 23. Semarang: BPFE Diponegoro University. *IOSR Journal of Economics and Finance* , 3(1).
-

- Hartati, NL 2012. The Effect of Internal and External Auditor Characteristics on Acceptance of Dysfunctional Behavior on Audit Procedures. *Accounting Analysis Journal* , 1(2). 1-8.
- Indriasari, DP & Angreany. 2019. The Effect of *Locus Of Control* and Workload on Employee Performance Through Work Ethic at the Regional Revenue Agency of South Sulawesi Province. *Journal of Management*, 2(3). 1-19.
- Lautiana, MF 2011. Effect of *Time Pressure* , *Locus Of Control* and Audit Dysfunctional Behavior on Auditor Performance (Study on Indonesian Public Accountant Firm). *Journal of Accounting & Research*, 4(1). 92-113.
- Mindarti, CS 2016. The Effect of Individual Characteristics on Auditor Performance. *Journal of Economics and Business*, 18(3), 59-61.
- Narendra, NM 2018. The Effect of *Locus Of Control* and Organizational Commitment on Employee Performance Through Job Satisfaction at RSU Al-Islam HM Mawardi Sidoarjo. *Journal of Economics and Management*, 19 No. 2(2), 621–636.
- Sanjiwani, DMP, & Wisadha, IGS 2016. The Influence of *Locus Of Control* , Leadership Style And Organizational Commitment On Auditor Performance Of Public Accounting Firms. *Udayana University Accounting E-Journal*, 14(2). 920-947.
- Sugiyono. 2019 . Research and Development Methods Qualitative, Quantitative, and R&D Approaches, (Bandung: Alfabeta, 2015), 407 1.
- Sugiyono. 2019. Quantitative Research Methods and R & D. Bandung: Research Alfabeta.
- Utary, AR 2014 . *Effect of time budget pressure on dysfunctional audit and audit quality, information technology as moderator. International Journal of Economic Research* , 11(3). 89-698.